



Journal of European Public Policy

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/rjpp20>

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Published online: 29 Apr 2015.



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To cite this article: Femke Roosma, Wim van Oorschot & John Gelissen (2015): The Achilles' heel of welfare state legitimacy: perceptions of overuse and underuse of social benefits in Europe, *Journal of European Public Policy*, DOI: [10.1080/13501763.2015.1031157](https://doi.org/10.1080/13501763.2015.1031157)

To link to this article: <http://dx.doi.org/10.1080/13501763.2015.1031157>

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The Achilles' heel of welfare state legitimacy: perceptions of overuse and underuse of social benefits in Europe

Femke Roosma, Wim van Oorschot and John Gelissen

ABSTRACT When analysing the legitimacy of the welfare state, perceptions of the overuse and underuse of welfare are of great importance. Previous literature suggests that many people perceive overuse (misuse or fraud), and there is evidence that people also perceive underuse (non-take-up) of welfare benefits. Perceptions of overuse have therefore been called 'the Achilles' heel of welfare state legitimacy'. We analyse data from the European Social Survey for 25 countries and investigate the occurrence and the individual and contextual determinants of overuse and underuse perceptions. We find that both overuse and underuse perceptions are prevalent in all European countries. However, whereas overuse perceptions are more related to ideology, collective images of welfare recipients and selective welfare regimes, underuse perceptions are more shaped by self-interest and the levels of unemployment and social spending in a country. Instead of one Achilles' heel, welfare state legitimacy seems to have two weak spots.

KEY WORDS Benefit abuse; European Social Survey; non-take-up; welfare attitudes; welfare states.

1. INTRODUCTION

Since the economic downturn following the oil crisis of 1979, there have been fundamental debates about the necessity of welfare state retrenchment or reform (Taylor-Gooby 2004). Parallel to these debates, scholars have discussed whether welfare states implementing substantial retrenchment of social provisions could still rely on full public support. Although some scholars in this context even have predicted 'the end of the welfare state' (Svallfors and Taylor-Gooby 1999), empirical studies have concluded that popular support for a strong role of the welfare state and extensive social spending is invariably high across Europe (see, for instance, Gelissen [2000]; Meier Jaeger [2006]). However, the legitimacy of the welfare state depends not only on such support for the role and social spending of the welfare state. Rothstein (1998) argues that there are three conditions for welfare legitimacy. In addition to support for goals and programmes (*substantive justice*), people also need to believe that contributions

(taxes) to the welfare state are distributed fairly (*redistributional justice*). Furthermore, people need to believe that these welfare policies are implemented in an efficient (with low administrative costs) and effective (with no welfare fraud) way (*procedural justice*) (Rothstein 1998). Studies examining support for the latter two conditions have invariably shown that the European public is very critical with respect to procedural justice: people tend to perceive rather high degrees of bureaucracy and low efficiency in their welfare states (Roosma *et al.* 2013; Sihvo and Uusitalo 1995a; Van Oorschot and Meuleman 2011). More specifically, these studies have concluded that people are most critical of the mis-targeting of welfare benefits in terms of the overuse (abuse) of benefits and underuse (non-take-up) of benefits (Becker 2005; Edlund 1999; Ervasti 1998, 2012; Goul Andersen 1999; Halvorsen 2002; Svallfors 1991). Not without reason, mis-targeting of welfare benefits has been called 'the Achilles' heel of welfare state legitimacy' (Goul Andersen 1999: 20).

The relevance of perceptions of welfare overuse and welfare underuse for welfare state legitimacy might even increase now that public debates about the welfare state increasingly place welfare beneficiaries in the spotlight and discuss whether people are taking advantage of the welfare system (Larsen 2002; MacDonald *et al.* 2014; Sage 2012). Discussions about increasing job-seeking obligations for welfare beneficiaries are high on the agenda, and cheating and welfare fraud are frequently and easily exposed in the media (Bullock *et al.* 2001; Clawson and Trice 2000).

However, although perceptions about the mis-targeting of benefits are such an important condition for welfare state legitimacy, we know little about perceptions of welfare overuse and even less about perceptions of welfare underuse. The few previous empirical studies examining perceptions of overuse and underuse of benefits did not extensively analyse cross-national differences in perceptions and did not elaborate on the individual- or contextual-level determinants; hence, it is not well understood which factors cause people in some countries to perceive more mis-targeting than other people in other countries. In this article, we thoroughly analyse the cross-national perceptions of both the overuse and underuse of social benefits in European welfare states. We formulate two research questions: (1) How does the European public perceive the overuse and underuse of welfare benefits? (2) Which individual and contextual characteristics influence the differences in European perceptions of the overuse and underuse of welfare benefits?

2. PERCEPTIONS OF MISTARGETING OF WELFARE BENEFITS

Mis-targeting of benefits occurs (1) when people who are formally considered to be deserving of or eligible for benefits do not receive those benefits (underuse) or (2) when people who are not formally deserving or eligible *are* receiving these benefits (overuse) (Van Oorschot 2001). The underuse or non-take-up of benefits can be unintentional, e.g., resulting from ignorance of social rights, or intentional, e.g., when a benefit is not claimed for fear of stigmatization. If

the overuse of benefits is intentional, then the term welfare fraud or abuse is used, whereas if overuse is unintentional, it may be called unintended overuse or misuse. Previous empirical studies have largely focused on perceptions of benefit overuse and have found that large proportions of populations perceive the overuse of welfare benefits (Ervasti 1998, 2012; Goul Andersen 1999; Halvorsen 2002). In studies analysing attitudes toward a broad range of welfare dimensions, perceived overuse often stands in stark contrast to the largely positive perceptions of social programmes and social rights (Roosma *et al.* 2013; Sihvo and Uusitalo 1995a; Svallfors 1991; Van Oorschot and Meuleman 2011;). Moreover, in studies analysing overuse as part of other critical welfare attitudes, such as the bureaucracy of the welfare state, overuse is often regarded as the most problematic issue by the public (Ervasti 1998, 2012; Goul Andersen 1999; Halvorsen 2002). However, studies have devoted less attention to the tendency of European people to perceive relatively large degrees of underuse of social benefits (Ervasti 2012; Roosma *et al.* 2013).

2.1. Individual-level explanations of overuse and underuse perceptions

Previous studies that relate attitudes towards overuse and underuse to various individual-level covariates find a prominent effect of political orientation: people with a right-wing political preference perceive higher overuse and lower underuse (Ervasti 1998, 2012; Halvorsen 2002; Sihvo and Uusitalo 1995a; Van Oorschot and Meuleman 2011). Education also seems to be a rather stable explanatory factor of overuse and underuse perceptions, as higher education reduces both overuse and underuse perceptions (Ervasti 1998, 2012; Halvorsen 2002; Sihvo and Uusitalo 1995a; Van Oorschot and Meuleman 2011). Most studies find a positive effect of income on overuse perceptions, although Ervasti (2012) reports a small negative effect. What the studies mentioned have in common is that they reveal the empirical relationship between some rather *ad hoc* chosen individual characteristics and perceptions of overuse and underuse, but they do not explicitly test theories by formulating hypotheses. In particular, perceptions of underuse are not examined in great detail because they are considered in studies that focus on multiple welfare attitudes (Ervasti 2012; Sihvo and Uusitalo 1995a; Van Oorschot and Meuleman 2011). Below, we propose our theoretical expectations for the individual factors that influence overuse and underuse perceptions, and we formulate three hypotheses.

In the welfare attitude literature, two main factors are identified as crucial determinants of welfare state attitudes. These factors relate to the classic theories that predict human action to be inspired either by self-interest (*homo economicus*) or by social norms or ideological desires for the common good (*homo sociologicus*) (Kangas 1997). As previous research has shown, both factors play a role in shaping individual attitudes towards various aspects of welfare state redistribution (Gelissen 2000; Kangas 1997; Meier Jaeger 2006).

The argument regarding the self-interest of individuals claims that people in lower structural positions (i.e., people with a lower income, education and/or job status) have more positive attitudes towards welfare redistribution than people in higher structural positions. In the literature, we find two such arguments. Identification theory (Maassen and De Goede 1989) suggests that because people in a lower structural position have a higher risk of becoming dependent on welfare benefits, they are better able to identify with welfare recipients. People who identify more strongly with beneficiaries perceive less intentional overuse and more underuse because they can more readily recognize people's sense of shame in accepting benefits because of the stigmatization of benefit recipients. By contrast, people in a higher structural position do not easily identify with welfare recipients and therefore do not perceive underuse as problematic, and the fact that they must contribute more to welfare redistribution makes them more suspicious of potential overuse.

An alternative relationship between people's structural position and perceptions of overuse and underuse is suggested by competition theory. Maassen and de Goede (1989) argue that people who are at risk of becoming dependent on benefits feel that they are in competition with welfare recipients. Being in a lower structural position increases the fear that welfare abuse will jeopardize the welfare system, and therefore overuse is viewed as a substantial problem. Meanwhile, underuse is not recognized as a major issue. People in a higher structural position who do not feel or feel less of this competition for the scarce resources of the welfare state would consequently perceive less overuse.

These arguments lead to two competing hypotheses:

H1: The lower the structural position of individuals, (a) the lower their perception of overuse of benefits and the higher their perception of underuse or (b) the higher their perception of overuse and the lower their perception of underuse.

Second, regarding ideological affiliation, empirical studies indicate that people with left-wing sympathies are in favour of a more generous redistribution (see, for instance, Gelissen [2000]; Meier Jaeger [2006]). We believe that people with left-wing political leanings who tend to favour a more generous redistribution will perceive the current access to the welfare state as too strict (too difficult to receive benefits) and will not see overuse as a problem. We assume that people with right-wing sympathies, by contrast, perceive access to the welfare state as too easy and perceive more overuse of benefits and little underuse. Our second hypothesis reads as follows:

H2: People with stronger ideologically left-wing sympathies have lower perceptions of overuse and higher perceptions of underuse.

Third, we hypothesize a relationship between overuse and underuse perceptions and social and institutional trust. Trust in fellow citizens and in government institutions is important for the establishment of the social contract that is the foundation for welfare state redistribution, and depends on whether people regard

other citizens and the state as trustworthy partners (Kahan 2005). A feedback effect also seems likely: perceptions of the non-functioning of the contract as a result of, for instance, perceived overuse and underuse may lead to erosion of the commitment to the contract. Therefore, we expect trust and overuse and underuse perceptions to be related. Previous studies that focus on general welfare support find no empirical link with institutional trust (Edlund 2006; Svallfors 1999, 2002), but studies examining attitudes toward the procedural aspects of the welfare state (including welfare fraud) do find associations with institutional trust (Edlund 1999, 2006; Svallfors 2002). We test the following hypothesis:

H3: The greater the interpersonal and institutional trust, the lower the perceptions of overuse and underuse of welfare benefits.

2.2. Country-level explanations for overuse and underuse perceptions

Previous studies examining country-level effects on overuse and underuse perceptions are scarce, and the sources of the (substantial) country-level variations are not discussed (Edlund 1999; Ervasti 2012). An obvious contextual effect on overuse and underuse perceptions would be actual abuse and non-take-up. If there is a substantial amount of fraudulent behaviour of welfare recipients in a country or if many people in need do not receive their financial support, individuals will notice that, not only at an individual level but also through country-level mass communication by the government or the media. However, only a couple of countries have data available on the actual overuse and underuse of welfare benefits (Denmark, France, Germany and the Netherlands) (Hernanz *et al.* 2004; Van Oorschoot 1995), and only the United Kingdom regularly produces official estimates of benefit fraud and take-up rates (Department for Work and Pensions [DWP] 2012a, 2012b). Moreover, the accuracy of these data has been questioned (Frick and Groh-Samberg 2007; Hernanz *et al.* 2004; Kayser and Frick 2000). This limited availability of incomparable data makes a comparative analysis impossible. We believe that because of the relative lack of available data, people are not aware of the actual facts about overuse and underuse of benefits in their countries. Therefore, these actual figures might only marginally influence perceptions of overuse and underuse via a country-level effect.

Nevertheless, people are constantly given examples of misuse or fraud by welfare recipients. Negative images of beneficiaries play an increasingly important role in political debates and the mass media (Bullock *et al.* 2001; Clawson and Trice 2000; Larsen 2008; MacDonald *et al.* 2014; Sage 2012). We expect that these collective images influence individual perceptions of welfare abuse in particular. However, if the general idea in society is that welfare beneficiaries misuse benefits, this idea could also affect perceptions of underuse. We formulate the following hypothesis.

H4: The stronger the collectively exposed idea that welfare beneficiaries take advantage of the welfare state, the higher the perceived overuse and the lower the perceived underuse.

In the welfare attitude literature, it is suggested that the economic situation, and especially its effect on the unemployment rates in a country, can change welfare state perceptions. Some scholars suggest that in situations of high unemployment, people consider welfare recipients to be more deserving because there is a greater need for support (Sihvo and Uusitalo 1995b), and relying on benefits is (partly) out of their individual control (Fridberg and Ploug 2000). Others suggest that people feel more competition in times of economic hardship and care more about their own situations (Durr 1993). Unfortunately, because we rely only on cross-sectional data, we cannot test the effect of unemployment rates over time. We formulate two competing hypotheses:

H5: The higher the unemployment in a country, (a) the lower the perceived overuse and the higher the perceived underuse or (b) the higher the perceived overuse and the lower the perceived underuse.

Finally, two main characteristics of the welfare state that are generally thought to influence people's welfare attitudes are the amount and manner of redistribution (Esping-Andersen 1990). We argue that these characteristics also influence perceptions of overuse and underuse. First, if the amount of social spending in a country is low, people can develop the idea that benefits are underused because they see that those in need do not receive enough benefit. High social spending, by contrast, decreases perceptions of underuse because people see fewer people in need. However, high social spending in a country may also strengthen the individuals' perceptions that public money is wasted on beneficiaries, which, following the same line of reasoning, leads to stronger perceptions of overuse.

H6: The higher social spending in a country, the higher the perceived overuse and the lower the perceived underuse.

Considering the manner of redistribution by welfare states, one could argue that in countries with more selective benefit schemes, such as the Anglo Saxon welfare regime (Esping-Andersen 1990), where beneficiaries must fulfil more criteria to be eligible for a benefit (for instance, concerning means testing, strict work records and job search requirements), people might be more concerned about underuse of benefits because they perceive that it is difficult to become eligible for benefits. Simultaneously, people may identify a lower risk of overuse because the actual access to benefits is very strict. By contrast, in countries that are characterized by universal benefit schemes, such as the Social-Democratic welfare regime, people may see less underuse of benefits and more overuse because it may generally be easier for people who do not need benefits to obtain them. However, contrary to these presupposed effects on overuse and underuse perceptions, several studies argue that people in Anglo Saxon countries are actually more suspicious of the overuse of benefits (Edlund 1999; Rothstein 1998; Svallfors 1991). When welfare states use more criteria to select eligible claimants, there are more rules that can be broken, and people may paradoxically perceive more overuse in general. In

other words, in welfare regimes that rely more on selective benefits, people may be more focused on the potential abuse or misuse of benefits because they perceive that more rules may leave more room for cheating. By contrast, in welfare regimes with more accessible benefit schemes, such as in universal welfare states, these concerns may be less important because there is less need to be suspicious of potential misuse when many citizens are included in such schemes (Rothstein 1998). We therefore formulate the following hypothesis:

H7: In welfare regimes with historically more selective social policies (as opposed to more universal social policies), perceived overuse is higher and perceived underuse is lower.

3. DATA AND METHODS

3.1. Data

To test our hypotheses, we use data from the European Social Survey, round 4, 2008/9.¹ This survey provides an extended module on welfare state attitudes. From the 29 participating countries, we selected 25 European countries (N = 47,489): Belgium (BE); Bulgaria (BG); Switzerland (CH); Cyprus (CY); the Czech Republic (CZ); Germany (DE); Denmark (DK); Estonia (EE); Spain (ES); Finland (FI); France (FR); the United Kingdom (GB); Greece (GR); Croatia (HR); Hungary (HU); Ireland (IE); Latvia (LV); the Netherlands (NL); Norway (NO); Poland (PL); Portugal (PT); Romania (RO); Sweden (SE); Slovenia (SI); and Slovakia (SK). The survey items were presented in the context of opinions about the welfare state. We use three items as indicators of *overuse* perceptions ('people are not trying to find a job', 'obtaining benefits for which they are not entitled', and 'not working and pretending to be sick') and two items that measure perceptions of *underuse* ('people get less benefits than they are entitled to' and 'there are insufficient benefits for people in need').² Table 1 provides the wording of the survey questions. All items are measured on a five-point scale with higher scores indicating stronger perceptions of overuse and underuse. Using three items to measure the latent concept of perceived overuse allows us to test the measurement invariance of this concept across countries. We found partial scalar measurement equivalence, which indicates that the items measure the same concept (perceived overuse) for all the selected countries.³ Because we have only two items for underuse, we could not assess its measurement invariance, but we did find a similar measurement construct for all countries by employing principal component analyses. We computed a scale for both overuse and underuse by adding the scores on the indicators and dividing it by the number of items.

We include three variables for structural position: (1) an individual's household *income*, which is measured on a 10-point scale (individuals were able to report their weekly, monthly or annual income); (2) work status measured as dummy variables in answer to the question 'what have you been doing for the last seven days?' (*paid work* (reference category), *unemployed* (both *actively*

Table 1 Operationalization and descriptive statistics: overuse and underuse (N = 47489)

Scale 1 – 5.	% (strongly) agree	% (strongly) disagree	Mean	St. dev.
Overuse (scale)			3.228	0.776
Most unemployed do not really try to find a job	39	38	3.034	1.104
Many people manage to obtain benefits and services to which they are not entitled	64	16	3.620	0.957
Employees often pretend that they are sick in order to stay home	38	36	3.029	1.071
Underuse (scale)			3.498	0.823
Many people with very low incomes get less benefits than they are legally entitled to	52	21	3.394	0.973
There are insufficient benefits in [country] to help the people who are in real need	63	19	3.603	1.021

and *not actively* looking for a job), *retired, permanently sick or disabled*, and *other not in the workforce*); and (3) dummy variables for educational levels ((less than) *primary education* (reference category), *lower secondary education*, *higher secondary education* and *tertiary education*). For ideological position, we use the *left/right self-placement scale* (a 10-point scale with higher scores indicating a more right-wing position). For *interpersonal trust*, we computed a means scale out of three variables (scale 0–10) according to the following: ‘would you say that most people can be trusted or that you can’t be too careful in dealing with people?’; ‘do you think that most people would try to take advantage of you if they got the chance, or would they try to be fair?’; and ‘would you say that most of the time people try to be helpful or that they are mostly looking out for themselves?’. These items have an average scale reliability coefficient (alpha) of 0.745 (with a standard deviation of 0.057) across the 25 countries. For institutional trust, we computed a means scale of five variables (scale 0–10): ‘how much you personally trust each of these institutions: parliament, the legal system, the police, politicians, and political parties?’. This scale has an average scale reliability coefficient (alpha) of 0.865 (with a standard deviation of 0.024). Finally, we add two control variables: *gender* (reference category: male) and *age* in years (*younger than 30* (reference category), *31–45 years*, *46–65 years* and *older than 65*).

For the contextual-level measures, for the *collective image of welfare recipients*, we use an aggregated measure of the item ‘welfare makes people lazy’. We need to rely on this indirect measure because, unfortunately, no direct measures of

images of moral hazard related to welfare were available in the mass media. For the *unemployment rate*, we use Eurostat data from 2008⁴ measuring the number of unemployed persons as a percentage of the labour force. For social spending, we use the amount of *expenditure on social protection* as a percentage of GDP from Eurostat for 2008 (which has a high correlation with expenditures in previous years). For the measurement of universal and selective regime types, we use dummies for the Anglo Saxon countries (IE and GB) as the most *selective regime type* and for the Scandinavian countries (DK, FI, NO, and SE) as the most *universal regime type* (Esping-Andersen 1990). We expect the Conservative (CH, BE, DE, FR, NL), the Post-Communist (BG, CZ, EE, HR, HU, LV, PL, RO, SK, SI) and Mediterranean (CY, ES, GR, PT) welfare regimes to be in the middle range from universal to selective regimes. We use the Conservative regime as a reference category.

3.2. Methods

To test our hypotheses, we employ multilevel regression analyses by testing a random intercept model in which the intercept varies across countries (Hox 2010). We include covariates to explain the variation at the individual and country levels. We cannot include many covariates at the country level because our effective sample size at the country level is only 25 countries. We present the proportion of reduced variance at the lower part of the tables (Raudenbush *et al.* 2002). We use the program Stata 13.

Unfortunately, household income and left/right self-placement have a considerably high level of missing data (21 and 14 per cent respectively). To avoid biased estimates, we opt for the multiple imputations approach in which missing data are imputed according to the chained equations imputation procedure that creates multiple imputed data sets, taking into account the clustered structure of the data (Allison 2001).

4. RESULTS

4.1. Descriptive results

A strong majority (64 per cent) of Europeans believes that many people intentionally overuse (abuse) welfare benefits. Perceptions related to aspects of overuse that we called the misuse of benefits (i.e., people who are not truly looking for a job or people who are pretending to be sick) are less negative: the European public seems divided on that issue. Regarding the underuse of benefits, the majority (63 per cent) of Europeans has a strong impression that the level of benefits available to help people who are deserving of welfare support is insufficient. Moreover, a majority (52 per cent) believes that many people who are entitled to benefits do not actually receive these benefits. People thus perceive high degrees of both overuse and underuse of benefits, which confirms the results of previous research.

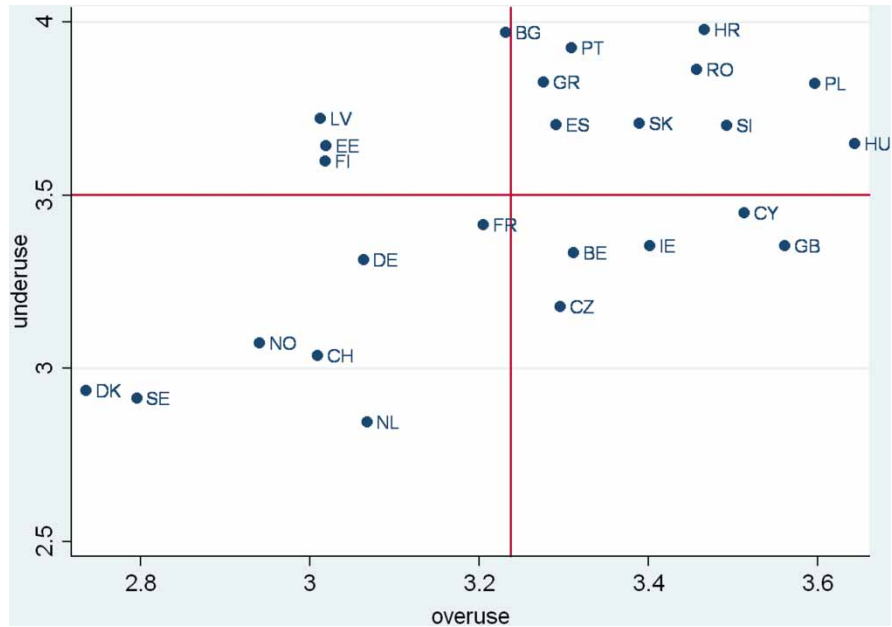


Figure 1 Mean scores for overuse and underuse by country
Note: Lines indicate the overall mean.

When we examine the mean scores for the overuse and underuse scale for the selected countries in Figure 1, we observe that in Denmark and Sweden perceptions of both overuse and underuse are well below the European means. Furthermore, in Norway, Switzerland, the Netherlands and Germany perceptions of overuse and underuse are substantially lower than average. In the upper-right corner (indicating strong perceptions of overuse and underuse), we find the Post-Communist countries and Mediterranean countries. Countries that have high perceptions of overuse but low perceptions of underuse are the Anglo Saxon countries, Belgium, the Czech Republic and Cyprus. Countries in the Baltic region (including Finland) perceive low overuse of benefits but high underuse. We do not have a specific explanation for this result.

4.2. Multilevel models of overuse and underuse perceptions

Table 2 (overuse) and Table 3 (underuse) show the results of the multilevel regression analyses. In Models 1–3, we included the individual-level covariates. In Models 4–7, we add the contextual factors. The intercept-only model (Model 0) reveals that the intraclass correlation coefficient (ICC) for overuse is modest (0.096), while the ICC for underuse is nearly twice as high (0.171), indicating that there is more country-level variation in perceptions of underuse than in perceptions of overuse. The variance components in Model

Table 2 Multilevel models – overuse

	Model 0	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Intercept	3.235***	3.446***	3.326***	3.593***	2.430***	3.486***	3.671***	3.545***
Individual-level covariates								
Income		-0.003	-0.005**	-0.001	-0.001	-0.001	-0.001	-0.001
Job status (paid work is ref. cat.)								
• In education		-0.108***	-0.101***	-0.068***	-0.068***	-0.068***	-0.068***	-0.068***
• Unemployed (active)		-0.194***	-0.186***	-0.202***	-0.202***	-0.202***	-0.202***	-0.202***
• Unemployed (not active)		-0.175***	-0.173***	-0.176***	-0.176***	-0.176***	-0.176***	-0.176***
• Disabled		-0.045**	-0.037*	-0.062**	-0.062**	-0.062**	-0.062**	-0.062**
• Retired		0.004	0.003	0.002	0.003	0.003	0.003	0.004
• Other		-0.016*	-0.017*	-0.012	-0.012	-0.012	-0.012	-0.012
Education (primary is ref. cat.)								
• Lower sec. education		-0.021	-0.019	-0.018	-0.018	-0.018	-0.018	-0.017
• Higher sec. education		-0.073***	-0.071***	-0.066***	-0.066***	-0.065***	-0.066***	-0.065***
• Tertiary education		-0.262***	-0.255***	-0.227***	-0.227***	-0.226***	-0.227***	-0.226***
Left/right self-placement			0.038***	0.040***	0.040***	0.040***	0.040***	0.040***
Interpersonal trust				-0.042***	-0.043***	-0.042***	-0.042***	-0.042***
Institutional trust				-0.039***	-0.039***	-0.039***	-0.039***	-0.039***
Age (18–35 is ref. cat.)								
• Age 35–45		-0.078***	-0.079***	-0.080***	-0.080***	-0.080***	-0.080***	-0.080***
• Age 45–65		-0.126***	-0.122***	-0.118***	-0.118***	-0.120***	-0.120***	-0.118***
• Age 65+		-0.035*	-0.042*	-0.019	-0.020	-0.019	-0.019	-0.020
Female (male is ref. cat.)		0.007	-0.004	-0.000	-0.000	-0.000	-0.000	-0.000

(Continued)

Table 2 Continued

	Model 0	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Country-level covariates								
Collective image welfare recipient					0.383***			
Unemployment rate						0.017		
Social spending as % GDP							-0.003	
Welfare regime (conservative is ref. cat.)								
• Scandinavian								-0.183*
• Anglo Saxon								0.347**
• Post-Communist								0.079
• Mediterranean								0.100
Variance components								
Group	0.058	0.055	0.055	0.039	0.026	0.038	0.039	0.022
Residuals	0.549	0.536	0.529	0.515	0.515	0.515	0.515	0.515
% Group variance explained		5.17	5.17	32.76	55.09	34.42	32.75	62.07
% Residual variance explained		2.37	3.64	6.19	6.19	6.19	6.19	6.19

Notes: Number of observations: 47,489.

Number of groups: 25.

Number of imputed data sets: 5.

*p < 0.05; **p < 0.01; ***p < 0.001 (two-tailed tests).

Table 3 Multilevel models – underuse

	Model 0	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Intercept	3.489***	3.741***	3.851***	4.124***	4.568***	3.692***	4.762***	3.863***
Individual-level covariates								
Income		-0.026***	-0.025***	-0.022***	-0.022***	-0.022**	-0.022**	-0.022**
Job status (paid work is ref. cat.)								
• In education		-0.071***	-0.075***	-0.045***	-0.043**	-0.043**	-0.043**	-0.043**
• Unemployed (active)		0.080***	0.75***	0.062**	0.059***	0.059***	0.059***	0.059***
• Unemployed (not active)		0.044*	0.043*	0.038	0.037	0.037	0.037	0.037
• Disabled		0.098***	0.093***	0.071***	0.073***	0.073***	0.073***	0.073***
• Retired		-0.024*	-0.024*	-0.022*	-0.024*	-0.024*	-0.024*	-0.024*
• Other		-0.012	-0.011	-0.006	-0.007	-0.006	-0.007	-0.007
Education (primary is ref.cat.)								
• Lower sec. education		-0.047**	-0.048***	-0.048***	-0.048***	-0.047***	-0.048***	-0.048***
• Higher sec. education		-0.086***	-0.087***	-0.086***	-0.085***	-0.085***	-0.086***	-0.085***
• Tertiary education		-0.223***	-0.226***	-0.205***	-0.203***	-0.203***	-0.204***	-0.203***
Left/right self-placement			-0.023***	-0.020***	-0.019***	-0.019***	-0.019***	-0.019***
Interpersonal trust				-0.020***	-0.020***	-0.020***	-0.020***	-0.020***
Institutional trust				-0.050***	-0.050***	-0.050***	-0.050***	-0.050***
Age (18–35 is ref. cat.)								
• Age 35–45		-0.029**	-0.028**	-0.028**	-0.028**	-0.029**	-0.028**	-0.028**
• Age 45–65		-0.012	-0.015	-0.013	-0.012	-0.012	-0.012	-0.012
• Age 65+		-0.042*	-0.037*	-0.019	-0.019	-0.019	-0.019	-0.019
Female (male is ref. cat.)		0.046***	0.045***	0.047***	0.046***	0.046***	0.046***	0.046***

(Continued)

Table 3 Continued

	Model 0	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Country-level covariates								
Collective image welfare recipient					−0.146			
Unemployment rate						0.070**		
Social spending as % GDP							−0.028***	
Welfare regime (conservative is ref.cat.)								
• Scandinavian								0.053
• Anglo Saxon								0.139
• Post-Communist								.0425***
• Mediterranean								0.440***
Variance components								
Group	0.116	0.107	0.107	0.076	0.073	0.054	0.053	0.038
Residuals	0.562	0.547	0.544	0.533	0.533	0.533	0.533	0.533
% Group variance explained		7.76	7.76	34.48	37.07	54.85	54.31	67.24
% Residual variance explained		2.67	3.20	5.16	5.16	.516	5.16	5.16

Notes: Number of observations: 47,489.

Number of groups: 25.

Number of imputed data sets: 5.

*p < 0.05; **p < 0.01; ***p < 0.001 (two-tailed tests).

3 (including all individual-level covariates) show that the country-level variation of overuse and of underuse is approximately one-third explained by a composition effect related to individuals in the Eastern and Southern European countries who have lower trust levels and lower structural positions.

In particular, people who have lower incomes or who are unemployed or disabled perceive greater underuse, while people with paid work perceive more overuse of benefits. There is no significant effect of income on the perceptions of overuse. These results support hypothesis H1a and identification theory rather than competition theory (H1b): people in lower structural positions can better identify with people who are dependent on welfare benefits and therefore perceive less overuse and more underuse, whereas people in paid work view underuse as less of a problem and perceive greater overuse, likely because they must contribute more to the welfare state.

However, when we examine the effect for education, held constant for other socio-economic factors, we observe that having a higher education increases the probability of perceiving both low overuse and low underuse. We suggest that this specific effect of education might be explained by the tendency of highly educated people to be more informed about government efforts to prevent fraud and increase benefit take-up.

The results for the hypothesized effects of political affiliation confirm hypothesis H2. People with more right-wing views perceive more overuse of benefits and less underuse, while people with left-wing views perceive less overuse and more underuse. These effects for ideological affiliation are consistent with the results found in previous research (Ervasti 1998, 2012; Halvorsen 2002; Sihvo and Uusitalo 1995a; Van Oorschot and Meuleman 2011).

Considering hypothesis H3, we observe substantial expected effects of trust on perceptions of mis-targeting. Both interpersonal and institutional trust explain a substantial part of the variance. People who are trusting are more optimistic about the redistribution process in general and about good targeting in particular. Trust in institutions in general is related to trust in the targeting of benefits to deserving recipients.

Examining the country-level covariates, we observe in Model 4 that people perceive greater overuse of benefits in countries where the collective image of welfare recipients is negative. Interestingly, there is no effect on underuse perceptions, which suggests that underuse perceptions are less influenced by political or public debates. We explain this result by recalling that the argument that an overly generous welfare state leads to the misuse of welfare benefits is often used by ideological opponents of the welfare state in public and political debates, whereas the possible underuse of benefits does not play a substantial role for either right- or left-wing advocates. As a result, perceptions of overuse may be more politicized and may have effects at both the individual and collective levels.

Remarkably, a country's unemployment rate affects only underuse perceptions: higher unemployment leads to higher perceived underuse. Because this test is only a cross-sectional test, we cannot draw strong conclusions about

these effects. However, in countries with more difficult economic situations, people care more about the underuse of benefits. This tendency may explain why we find higher levels of underuse perceptions in Eastern and Southern Europe. We thus find partial support for hypothesis H5a.

Model 6 shows that low social spending in a country is associated with the perception of underuse of benefits, most likely because people perceive that those in need do not receive what they deserve. However, there is no evidence for the hypothesis that social spending increases the perception of overuse based on the idea that tax money is being wasted. We can thus only partly confirm hypothesis H6.

The redistribution strategy in welfare states seems to affect perceptions of mis-targeting more substantially. In particular, the Anglo Saxon welfare regime is the most strongly associated with overuse perceptions. This finding supports hypothesis H7, which argues that more selective welfare regimes are associated with perceptions of greater overuse of benefits: when welfare states create a great deal of criteria for citizens to be eligible for benefits, people tend to be more suspicious of benefit recipients. We observe that universal or selective welfare regimes do not significantly affect perceptions of underuse. An effect was observed for the Post-Communist and Mediterranean regimes, but we assume that this effect is primarily caused by the economic situation in these countries.

5. CONCLUSION AND DISCUSSION

Rothstein (1998) argues that for the welfare state to be legitimate, people must believe that welfare policies are implemented efficiently (with low administrative costs) and effectively (without welfare fraud). We found that Europeans not only strongly perceive abuse and misuse of benefits but also perceive substantial underuse of benefits. Especially in the Southern and Eastern European countries, underuse perceptions are strong. Regarding overuse perceptions, the Anglo Saxon countries stand out as countries with high average levels of suspiciousness of benefit abuse. Although support for welfare policies is generally strong, perceptions of welfare abuse of non-take-up still undermine the legitimacy of the welfare state.

Our analysis shows that although they can be viewed as two manifestations of the same problem of mis-targeting of benefits, overuse and underuse are two rather different dimensions of welfare attitudes: they are influenced by different factors. Perceptions of overuse strongly depend on political factors. The threat of overuse of welfare benefits is often used as a political argument against (more) government redistribution. In addition to the individual effect of right-wing ideology, we observe this effect especially on the contextual level, where the collective public image of welfare recipients influences individual perceptions of benefit abuse. Moreover, in welfare regimes that rely more heavily on selective benefits, where the state exerts more effort in determining whether benefit claimants are truly deserving of benefits, there is more focus on possible abuse or misuse of benefits compared with welfare regimes that rely on more universal

benefit schemes. We believe that public and political debates on the potential misuse of welfare beneficiaries also contribute to the tendency to define target groups more specifically and to make benefits more selective, which can in turn result in stronger perceptions of misuse. This interplay between selective welfare regimes and negative images of welfare recipients in public debates leads to higher levels of perceived welfare abuse and undermines the legitimacy of the welfare state.

By contrast, we observe that underuse perceptions depend more on people's direct experiences with the welfare state and with welfare claimants. On the individual level, we find that self-interest and identification play an important role. When people face the risk of becoming dependent on welfare benefits, they are more concerned with the underuse of benefits. On a contextual level, we observe the positive influence of the level of unemployment and the negative influence of the amount of social spending in a country. Perceptions of underuse are thus more determined by socioeconomic circumstances, in terms of both the economic situation and the generosity of the state itself.

Another indication that overuse and underuse are two different dimensions of welfare attitudes is that several effects of covariates are in opposite directions (for work status and political affiliation), while some effects are in the same direction (for education and trust). Moreover, previous research shows a weak association between overuse and underuse perceptions (Ervasti 2012; Roosma *et al.* 2013; Sihvo and Uusitalo 1995a). Thus, the question of how overuse and underuse perceptions are combined within individuals should be addressed in further research.

Unfortunately, because of the relatively low number of countries, we were not able to include multiple covariates on the contextual level. This limitation restricted us in exploring the contextual mechanisms in more detail. Additionally, the unavailability of data on the actual overuse and underuse of benefits was a gap in our research design. However, because such specific information is not publicly available to the general public, we expect only a small contextual-level effect on overuse and underuse perceptions.

We examined the degree to which one of the conditions of welfare state legitimacy, procedural justice, is met by European welfare states. It is fair to state that in all European countries, not only are overuse perceptions strong and considered a potential threat to welfare state legitimacy, but underuse perceptions are also significant. These two perceptions emerge as two different dimensions of welfare state legitimacy influenced by different individual and country characteristics. Hence, instead of one Achilles' heel, welfare state legitimacy has two weak spots.

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ACKNOWLEDGEMENTS

We wish to thank the *JEPP* referees for their constructive comments.

FUNDING

This research was supported by the Netherlands Organization for Scientific Research (NWO) [grant number 400-09-083].

NOTES

- 1 See <http://www.europeansocialsurvey.org/>.
- 2 The term 'insufficient benefits' can be interpreted as 'inadequate benefits' or as 'benefits that are lacking'. In the latter case, it can be discussed whether this item measures support for more benefit schemes in general instead of mis-targeting. The correlation of this item with support for the role of government, however, is substantially smaller than the correlation with the other underuse item. We argue that this item is therefore suitable for measuring underuse perceptions.
- 3 The results of these measurement equivalence analyses are available from the first author.
- 4 See <http://ec.europa.eu/eurostat/data>.

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